GOVERNMENT OF INDIA.

DECENTRALIZATION COMMITTEE

FOR THE

ROYAL COMMISSION

ON

DECENTRALIZATION.

NOTE ON LAND REVENUE SETTLEMENTS

(WITH SUGGESTIONS)

BY

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SIMLA:
GOVERNMENT CENTRAL BRANCH PRESS.

1907.

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Systems of Settlement

Although the land tenures of India present a great variety of features, regarded from the point of view of the settlement of the land revenue they fall into two broad and well recognised divisions, *viz.*, Zemindari and Raiyatwari.*

2. The distinction between these two divisions lies, not so much in the existence of a rent receiving intermediary between the Government and the actual cultivator, for this condition may exist in both, as in the method of assessment, and the recognition by law of a tenant class in the one case, and not in the other.

3. In the zemindari or landlord system, the State revenue is assessed on the village or estate (mahal) which may be owned by a single proprietor, or a proprietary body of co-sharers jointly responsible for its payment. The demand is a definite sum payable either in perpetuity (where the 'permanent settlement' prevails) or for a fixed term of years ('temporary settlement) during which the whole of any increased profits due to extension of cultivation within the boundaries of the village or estate, enhancement of rents, etc., is enjoyed by the landlord. In the raiyatwari or peasant proprietary system, the assessment is on the field as demarcated by the survey, of which one or more may be comprised in a single holding. It takes the form of revenue *rates* for different classes of land, which are settled for a term of years, and as the occupant is at liberty to surrender any portion of his holding and to take up any unoccupied field, the total sum payable by him as revenue may vary from year to year according to the size and description of land included in his holding.

4. In the zemindari system again, the basis of the revenue demand is the rent realized by the landlord from his tenants, while in raiyatwari areas this factor being absent (except to a limited extent) the assessment rests on a rental valuation of the various classes of soil and other considerations.

5. A settlement of the land revenue may include (*a*) a survey and demarcation of boundaries, (*b*) an enquiry into and a record of the rights of various parties interested in the land, and (*c*) a revision of the assessment, or any one of these operations During the past twenty-five years measures

* The larger Provinces may be roughly classified as follows:—*Zemindari*, Bengal and Eastern Bengal, Madras (about one third), United Provinces, Punjab (proprietary cultivating communities) and the Central Provinces: of which Bengal (excluding Orissa), Eastern Bengal, the Zemindaries of Madras, and one division of the United Provinces are permanently settled. *Raiyatwari*, Madras (two-thirds), Bombay, Burma, Assam, and Berar: all temporarily settled.

have been steadily pursued with the object of shortening and simplifying settlement procedure, and rendering it less harrassing to the people, by the elimination of (*a*) and (*b*) when a revision of settlements is undertaken. With this object, every Province is provided with a machinery called the Land Record department for keeping the village maps and records up to date and preserving the survey boundary marks. Moreover, the change from estimated assets to actual rental as the basis of assessment in zemindari settlements, and the tendency in raiyatwari tracts to accept the soil classification already made as final, has greatly reduced the complexity of the work of assessment, and a revision of settlement is neither so tedious or troublesome an undertaking as it used to be. At the same time it has to be remembered that the annual alterations in the village papers represent a considerable tax on the time of landlords and cultivators.

6. All lands which have not been exempted from payment of revenue by order of Government are liable to assessment, and the claim rests upon the 'immemorial right of the State to share in the produce of the land.' The extent and manner in which the right should be exercised, constitute the chief business of a settlement, and they are governed by the land revenue policy of the Government of India.

Resolution on Land Revenue Policy, 1902.

7. That policy was fully discussed and explained in a resolution published by Lord Curzon's Government on the 16th January 1902*. Here it is only necessary to notice the scope and limitations of the Government demand with reference to (1) the standard and principles of assessment and (2) the term of settlements; and the control exercised over these matters by the Supreme Government.

Frog. February 1902, Nos. 23-24.

State's share of agricultural assets, and term of settlement.

8. Theoretically the right of the State extends to the whole rent, but in practice it has been subject during British rule to a continuous process of diminution. The most notable instances of a surrender of the claims of the State was Lord Cornwallis' conversion of the ten years settlement of Bengal in 1793 into a permanent settlement which fixed the government demand in perpetuity, and the similar settlements made in the northern districts of Madras

* This resolution with its accompaniments has been published in book form under the title "Indian Land Revenue Policy." Of the four matters mentioned in the summary in paragraph 38 of the resolution as deserving of further attention, *viz.*, (1) graduated enhancements; (2) assessment of improvements; (3) elasticity in collection; (4) relief of deteriorated estates, the two former are dealt with in this Memorandum and the two latter in the note on "The Collection of the Land Revenue".

between 1802 and 1804. The question of extending permanent settlements was revived in 1858 when Lord Stanley, in a despatch dated the 31st December 1858, invited the Government of India to consider the policy of creating free-hold tenures in India,

(1) in the case of waste lands, by the gift or sale of lands in perpetuity discharged from all demand for land revenue;

(2) in the case of occupied and assessed land, by permitting the redemption of the land assessment.

The former of these measures was designed to attract European settlers and capital, and the latter to secure the political attachment of the native population to British rule.

9 Lord Canning's Government accepting the policy advocated, issued a resolution,* dated the 17th October 1861, authorizing, with some comparatively unimportant limitations, the grant of waste lands as heritable and transferable property to be held in perpetuity free from all claims of the Government. This resolution also authorized the redemption of the land revenue upon assessed estates, the most important limitation being that not more than 10 per cent. of the land revenue in any one district should be so redeemed.

* No. 3264, dated 17th October 1861.

10. Sir Charles Wood, who succeeded Lord Stanley as Secretary of State, considered (despatch No. 14, dated the 9th July 1862) that the measures adopted went further than was necessary. He made certain minor changes in the system of the sale of waste lands outright, and for the scheme of redemption of revenue upon assessed lands he substituted a scheme of permanent settlement, holding that permanency of tenure and fixity of rent were all that was desired to secure the contentment of the agricultural classes. By his orders, redemption was limited to "lands required for dwelling houses, factories, gardens, plantations, and other similar purposes".

11. These orders as to redemption continued in force till 1897 when they were finally withdrawn and, with a few unimportant exceptions provided for by local rules, no redemption of the land revenue is now permitted without the previous sanction of the Government of India. The scheme of permanent settlements made little progress, and continued under discussion till 1883, when the Secretary of State decided that the policy of a permanent settlement laid down in 1862 "should now be formally abandoned".

Resolution No. 12-73, dated 7th September 1897.

Despatch, dated 22nd March 1883.

12. Meantime the process of curtailing the State's claims on the profits of cultivation had been operating in two directions, *viz.*, by a reduction of the share taken and an extension of the term of settlement. "It was laid down in Regulations IX and X of 1812, following the precedent of the permanent settlement, that a net income of 10 per cent. on the Government demand should be reserved to the proprietors. This fixed the State's share of the assets at *91 per cent.* Regulation VII of 1822 raised their income to 20 per cent. and reduced the share of the State to *83 per cent.* of the assets. The assessment was to be based upon an enquiry into the productive capacity of each field or plot of land; and the resolution which accompanied the Regulation substituted for the two or three years term of settlement that had till then been customary, a term of ten to twelve years, and thus introduced the first long-term settlements. The detailed enquiry thus prescribed was found to be impracticable, and Regulation IX of 1883 was based upon a Minute by Lord William Bentinck, dated 26th September 1832, in which he proposed that the demand should be fixed upon a general consideration of the circumstances of each village or estate, and that the term should be extended to fifteen or twenty years. At the same time he limited the Government share of the assets to *70 to 75 per cent.* All the early settlements of the North-Western Provinces were made under this Regulation, and for the most part for a term of thirty years. In 1844 Mr. Thomason, Lieutenant-Governor of the North-Western Provinces, reduced the share of the net assets to be taken as revenue to two-thirds, or *67 per cent.* In 1855 the demand was still further reduced by the Saharanpur Instructions, Rule XXXVI of which limited it to *50 per cent.* of what were described as "the *real* average assets", and this proportion has ever since formed the basis of assessment in Northern India; though, under the present system of neglecting prospective assets its application now leaves a still smaller share to the State.

Principles and policy advocated in 1882-85.

13. In 1882 the Government of India formulated a scheme for the future assessment of the revenue in temporarily settled areas with the object of giving "that assurance of security which is attached to permanency of the demand, without depriving Government of its unquestioned claim to enhance the land revenue upon defined conditions". They proposed that future increases of assessment should be limited to:—

Despatch No. 17, dated 17th October 1882. Progs. November 1882, No 10.

(1) increase of area under cultivation;

(2) rise in prices;

(3) increase in produce due to improvements effected at Government expense.

14. An initial assessment and an initial cultivated area were to be determined in each case as a starting point. A point was also to be fixed to which prices should rise before the revenue was enhanced on this ground, and a limit, provisionally placed at 15 per cent., was imposed on any increase of revenue based on prices at any one time. The construction of railways and similar works were not to constitute a reason for enhancing the land revenue except in so far as they caused a rise in prices. "Any attempt to value or assess any profits which may, in future, arise from improvements effected by the people themselves" including "those made with the assistance of money borrowed from Government" was to be abandoned. In order to "offer the strongest possible inducement to the agricultural population to protect the land against drought" Government was prepared to forego any claim on profits derived from irrigation otherwise than at Government expense; also on the "enhancement of value effected by the application of greater labour and skill to the operations of tillage". In view of the rapid progress of the country, it was suggested that the term of settlement under the new system should be twenty years. Finally it was laid down as an essential condition that, if the system proposed was adopted, it should be "accompanied by measures for giving a certain fixity of tenure to the raiyats, and for securing them against oppressive rents".

Despatch No. 24, dated 22nd March 1883.
Despatch No. 4, dated 8th January 1885.
Pros., May 1883, Nos. 57-63.
„ Feb. 1885, „ 35-37.

15. A qualified approval was given to this scheme by the Secretary of State, Lord Kimberley; but after consideration of the objections raised by the Government of the United Provinces, which was chiefly concerned, it was set aside as, in its main features, impracticable and inexpedient. The principles finally arrived at were—

(1) That the policy of a permanent settlement, pure and simple, shall be abandoned.

(2) That the State shall still retain its claim to share in the "unearned increment" of the value of land to which there is a tendency in a progressive country.

(3) That a general and permanent rise in the prices of produce is one of the principal indications and measures of this increment.

(4) That it is nevertheless desirable to modify the existing system of revision of the temporary settlements of land revenue, with the view of rendering it less arbitrary, uncertain, and troublesome to the people.

(5) That this modification should be effected at least in the following particulars:—

(*a*) Repetition of field operations (survey, valuations, minute inquiries into assets,

and the like) which are considered to be inquisitorial and harassing to the people should be, as far as possible, dispensed with on a revision of settlement.

(*b*) Enhancement of assessment should be based mainly on considerations of general increase in the value of land.

(*c*) The assessment of an estate should not be revised *merely* with the view of equalising its incidence with that of the assessment of other estates.

(*d*) Improvements made by the landholders themselves should not be taken into account in revising assessments, but improvements made at the cost of the State should be taken into account, and also to some extent, increase of cultivation.

16. These principles included no limitation on enhancements of the Government demand, and made no reference to the period for which settlements should run. As regards the former, a proposal was put forward by the Government of the United Provinces that in fairly developed estates 'the revenue might be enhanced by the assessment of a general rate (without scrutiny of rental assets in individual estates or reference to increased cultivation) on general considerations, such as the rise in the letting value of the land throughout the pargana or tract, but the amount of the enhancement should not exceed a certain fixed percentage (to be fixed by the Government of India) of the expiring demand'.

17. The Secretary of State objected to this proposal on the grounds that (1) it appeared "to carry too far the principle of uniformity of enhancement, and to limit unnecessarily the revenue demand on the very estates which can best bear enhancement, and (2) that it involved "the dangerous policy of pledging Government for ever to a particular line of action".

18. He was not, however, opposed to assessment rules being prescribed by administrative order, and he approved of the principle that when any tract not in a backward condition comes under settlement, a general rate of enhancement based upon a summary enquiry into the condition of the tract (but limited by the half assets standard) should be prescribed by the Local Government, with the approval of the Government of India, for the general guidance of the settlement officer.

Short term settlements *vs.* progressive assessments.

19. The question of the period for which a settlement of the land revenue demand should be made, formed the subject of discussion between the Government of India and the Secretary of State in 1893. Repeated instances had come before the Government of India in which,

India's despatch No. 33, dated 18th June 1895. Pros., June 1895, Nos. 25-29.

owing to the great rise in the value of land and its produce during the period of the expiring settlements, it had been found impossible to enforce the half assets standard at re-assessment without imposing larger enhancements on the revenue payers than were politically and economically expedient. The alternatives lay between reducing the standard, and maintaining it but mitigating its effect by a revision of settlements at shorter intervals or, what amounted to nearly the same thing, by a gradual imposition of a portion of the enhanced demand. Having regard to the reductions already made in the State's share of agricultural profits, the Government of India were strongly opposed, in the interests of the general tax-payer, to any further sacrifice of revenue in favour of a limited class, and advocated the latter alternative. But the Secretary of State considered that any shortening of the customary term of settlement was open to serious objections, and the orders ultimately issued with his approval were to the following effect:—

Despatch No. 117, dated 24th October 1895. Pros., December 1895, Nos. 44-46.

"Where a reasonable expectation of any particular term, whether 30 or 20 years, has been created in the minds of the people by past practice, that term should be adhered to as the normal term of settlement. In backward tracts, and under exceptional circumstances, shorter terms may be fixed; and such circumstances and conditions may also justify an abbreviation, in the case of an individual district or portion of a district, of the normal term fixed as above. But it will not be sufficient for purposes of such justification, merely to show that it is inexpedient to impose at present the full amount of enhancement which a consideration of existing assets would warrant: it will be necessary to go further, and to show also that the present condition of the tract is such, and the development that may be reasonably anticipated so rapid, that at the end of the normal term, if not abbreviated, it will probably be found impossible to secure to Government a reasonably full share of the assets as they may then be found to stand."

21. As for progressive assessments or deferred enhancements, the orders require that they may be "used more systematically than has hitherto been the case wherever it seems inexpedient to impose at once the full enhancement which would result from even a moderate assessment based upon existing assets; and more especially where the term of settlement is 30 years, or the revenue-payers are men of substance; the object being, not merely to recover a portion of the revenue which it is thought

inexpedient to demand at once, but still more to reduce the difficulty of enhancement which may recur at the next revision of settlement. The period indicated by the Secretary of State as that over which the enhancement will be spread is the first 10 years of the settlement term; and this may be taken as the ordinary period. But in some Provinces it is customary to spread it over 15 years when the circumstances of the estate call for such treatment; and when the term of settlement is 30 years, this course may still be adopted."

21. In paragraph 38 of their resolution of the 16th January 1902, on land revenue policy, the Government of India referred to the progressive and graduated imposition of large enhancements as one of the matters in regard to which they would be prepared to make a further advance. In pursuance of this intention a careful examination was made of the existing rules, and the Governments of Provinces in which a change of practice appeared to be called for were addressed. Instructions on the subject now form a part of all settlement rules.

Summary of Standards and Principles of Assessment.

22. It is upon the conclusion arrived at in 1885 and 1895, summarized above, that the assessment instructions which have been framed from time to time for various Provinces are based. Examples of these instructions will be found in Appendix I. With one exception, they are all of an executive character (as required by the Secretary of State's orders) and are liable to alteration as circumstances change. In Bombay alone among Provinces under a temporary settlement has the Local Government committed itself (by legislation) to any formal and binding declaration of the mode in which revenue assessments will be made.

23. Beyond the half assets standard the Government of India have nowhere by rule laid down any general restrictions on the extent to which existing assessments may be raised at revision of settlement. This question is considered with reference to the special circumstances of each tract when the proposals for re-settlement are received and dealt with. But here again an exception must be made in the case of Bombay where, as a reference to Appendix I will show, there are orders of general application limiting enhancements of land revenue.

24. The main conclusions to be drawn from the orders and discussions of the past twenty years appear to be :—

(1) that the conditions justifying an increase of the revenue demand (*i.e.*, the grounds of enhancement) depend on a

variety of considerations which have to be taken into account in each case and cannot be reduced to hard and fast rules.

(2) that thirty years is the recognized term of temporary settlements and is gradually being worked up to everywhere.

(3) That the theoretical maximum standard of assessment now generally accepted is half the actual net assets as far as they are capable of ascertainment.

(4) That though the standard is far below the ancient claims of the State, owing to the development of the country, the increase of population, rise in prices and other causes, its strict application results in many cases in excessive enhancements.

(5) That excessive enhancements of the revenue demand, and the consequent severe and sudden reduction in the resources of revenue-payers, is admitted to be an evil which measures have been taken to mitigate by a system of 'deferred enhancements'.

(6) That the present tendency is to go a step further and place an absolute limit on the proportion by which the revenue demand may be raised at revision of settlement, with reference either to the tract, assessment unit, or individual.

Assessment of improvements.

25. In paragraph 20 of the resolution of 16th January 1902, it was said "the principle of exempting from assessment such improvements as have been made by private enterprise, though it finds no place in the traditions of the past, has been accepted by the British Government, and is provided for by definite rules, culminating, in the case of the Bombay Presidency, in legal enactments which secure to the cultivator in perpetuity the whole of the profit arising not only from such irrigation works as private wells or tanks, but from the minor improvements which would count for an increase in assessment under a system of reclassification of the soil. The Madras raiyats have a recognized right to enjoy for ever the fruit of their improvements, and the exemption of wells, irrigation channels, and tanks which are private property is provided for by executive orders. Minor improvements are also protected, as in Bombay, by the permanent recognition of a land classification once fairly effected. In zemindari Provinces, where the revenue is temporarily assessed on estates as a whole, and not on each particular plot of land composing them, the State has not similarly surrendered its right to all share

in improvements in which the capacity of the soil plays a part with the industry or outlay of the cultivator But the principle followed has been that additional assessments should not be imposed on these grouuds until the private labour or capital expended upon them has had time to reap a remunerative return. In the Punjab and Bengal the term of exemption has been fixed, without reference to the term of settlement, at 20 years for masonry wells, 5 years for canal distributaries, and 10 years for other irrigation works. In the North-Western Provinces and the Central Provinces irrigation works not constructed by Government are freed for the term of settlement next following their construction, the average period of exemption being 45 years in the former and 30 years in the latter Provinces. The rules of all Provinces provide for the grant of longer terms of exemption in special cases. This summary of existing procedure reveals a variety in practice which it is not possible to reduce to complete uniformity. It is the intention, however, of the Government of India, in consultation with the Local Governments, to take the whole matter into consideration with a view to the framing of rules that may stimulate the expenditure of private capital upon the improvement of the land, and secure to those who profit by such opportunities the legitimate reward of their enterprise."

26. Local Governments were accordingly consulted and the conclusions arrived at by the Government of India after a consideration of their replies were published in a resolution dated the 24th May 1906. In this resolution the question is dealt with under three heads, *viz* :—

(1) The reclamation of waste land;

(2) The assessment of improvements such as wells, tanks and embankments ; and

(3) the reduction of assesment when an improvement ceases to be of use.

27. As regards waste lands, the Famine Commission of 1901 advocated that in order to encourage their occupation and reclamation, the lessees should be wholly exempted from assessment for the term of the current settlement or for 15 years, whichever period was less, and should be assessed at half rates during the succeeding term of settlement. Upon a review of the existing rules, which allow a certain period of exemption according to the character of the land, the Government of India, however, formed the conclusion that, except

in comparatively unimportant details, they are sufficiently liberal, and that the exceedingly favourable exemptions suggested by the Famine Commission are nowhere required, as they would involve a needless sacrifice of revenue, would lead to the artificial encouragement of the cultivation of poor soil which could not permanently support its cultivators, and would result in embarrassing inequalities between the assessment rates of old and new lands.

27. In regard to the second class of improvements (which are practically protected in perpetuity in Madras and Bombay) the Government of India agreed in the opinion generally expressed by Local Governments that the existing policy of granting exemptions only for a term of years and not in perpetuity should be maintained. The principle was laid down that "rules for the exemption of improvements from assessment are adequate, so long as they allow the improving landholder to recover from the net profits of the improvement, within the term of exemption, the capital cost of his improvement with interest; and if, in addition to this, the rules allow such a landholder, even when the period of remission has ceased, to continue to receive for a certain term of years, say till the period of the currency of the next settlement, a fair amount of interest on the capital which has been recouped, the system is more than adequate and may be termed liberal." Local Governments have been asked to re-examine their rules with reference to this standard and they are now in process of revision where necessary.

28. The grant of an abatement of the revenue demand when an improvement fails is not at present generally practised, but the concession has been introduced into the Punjab in the case of small landholders and in the 11th paragraph of the resolution, the Government of India have advocated the general application of the principle. The resolution finally reminds Local Governments of the orders which have on various occasions been issued, enjoining the prompt relief from over-assessment of holdings which have suffered deterioration since they were assessed.

Progs., October 1906, No. 44.

29. Reference may be made here to a supplementary resolution issued on the 11th October 1906, dealing with the difficult question of the protection from enhancement of rent of improvements effected by tenants, but as the subject is outside the scope of the present note and no positive action has as yet resulted, it is unnecessary to summarize the conclusions arrived at.

Cesses on the land.

30. In addition to the land revenue, various rates and cesses are levied on the owners and occupiers of land for expenditure (usually through local bodies) on local purposes or the maintenance of village officers. These cesses are fixed at a percentage either of the rental or land revenue as a convenient basis for calculation. Paragraphs 23 to 25 of the resolution of 16th January 1902, dealt with the question of a reduction or limitation of cesses. It was shown that the local rates nowhere reach 10 per cent. on the rental. "In the raiyatwari Provinces of Bombay and Madras and in Coorg the incidence of the local rates (for roads and schools) is precisely that in force in Bengal ($6\frac{1}{4}$ per cent.). This comparison involves the assumption that raiyatwari revenue is the equivalent of rent; but, as a matter of fact, the extent to which sub-letting prevails in raiyatwari Provinces indicates that the revenue is substantially below the rental value, and the local rates are consequently below the Bengal level. In Lower Burma the local rates amount to 10 per cent. and in Assam to 8·3 per cent. on the raiyatwari revenue.....In the Punjab they are equivalent to 5·2 per cent. on the rental value. In no other Provinces do they exceed 4 per cent. In the North-Western Provinces they are charged at 6 per cent; but two-fifths of the proceeds are devoted to the maintenance of the village watch."

31. These rates are exclusive of payments to village officers, (watchmen, headmen, village, accountants, etc.) who, when they do not hold service lands, or are remunerated by fees or a commission on the revenue collections, receive salaries which, until recently, were charged wholly or partly to a special cess.

32. The general conclusion of the Government of India on the subject of cesses was that "there is no reason for thinking that local taxation, if properly distributed, is on the whole either onerous or excessive..... But there are grounds for suspecting that the distribution is often unfair; and that the landlords shift on to the tenants that share of the burden which is imposed by the law upon themselves. In the present backward condition of so many of the people, it is not possible effectively to redress this injustice: and the question presents itself whether it is not better, as opportunities occur, to mitigate imposts which are made to press upon the cultivating classes more severely than the law intended. The Government of India would be glad to see their way to offer such relief."

33. The opportunity for granting the relief in question presented itself in dealing with the financial estimates of 1906-07, when it was resolved to abolish all cesses connected with village establishments and land records. I egal effect was given to the decision by Act IV of 1907, and combined with the abolition in the previous year of the so-called famine-cess in Northern India and the Central Provinces, it has resulted in reducing the burden of taxation on land by upwards of a crore of rupees per annum.

Control of Settlements.

34. Passing to the control of revenue settlements, it is unnecessary to go further back than 1871 when Lord Mayo's Government constituted a separate Secretariat to deal with land revenue administration, among other matters. Revisions of assessment were in full progress in almost temporarily settled tracts, and the attention of the new Department was attracted at an early date by several settlements reports which came under examination to the question of the control of the Supreme Government over revenue settlements which, at that period, was regulated by no definite orders. The law and practice on the subject were reviewed in 1875 and reported to the Secretary of State in a despatch dated 12th March 1875. While reserving to themselves full right of interference when necessary, the Government of India recognized that their control should be confined to general principles, and this conclusion was embodied in the final paragraph of the despatch which runs as follows:—

Progs., March 1875, Nos. 52-64.

"We consider that while it is necessary that the approval of the Government of India should be obtained before any substantial alterations in the principle of the assessment of the land revenue is introduced in any part of British India, it is not desirable that the Government of India should undertake the function of dealing with the details of the particular settlements carried out in accordance with the principles which have been established, and it will very rarely occur that it will be necessary to interpose to prevent the action of the Local Government with regard to such details." This view received the approval of the Secretary of State and the correspondence was communicated to Local Governments for information.

35. About the same time, the difficulty experienced by the Government of India in exercising any real control over settlements by means of orders on the final reports, which often did not reach them till the settlements had been in force for considerable periods, led to a discussion of the

question whether their approval of assessment proposals should not be obtained at an earlier stage in the proceedings. After consultation with Local Governments it was decided that "no change in the present system of carrying out settlements was called for, but that all settlements of districts or parganas or other sub-division of districts, should in future be made, and the engagement taken, subject to the confirmation of the Government of India, and the proceedings reported in due course for such confirmation accordingly." The settlement of individual estates or part of estates undertaken at other times than the general settlement was, however, left to be dealt with by Local Governments. These orders applied to all Local Governments except Madras and Bombay, which had always possessed and were left to exercise the authority to deal finally with their settlements.

Progs., February 1876, Nos. 6-18.

36. In 1879, owing to financial pressure, and their heavy cost and sometimes unremunerative results, the Governments of Provinces in which revised settlements were in progress were directed to contract operations which did not promise a sufficient pecuniary return or were not required for special reasons. An exhaustive analysis was also prepared of the systems and cost of settlements in the various Provinces and of the resultant gain in revenue. Upon the information collected the Government of India, in 1881, issued general instructions explaining the considerations which should govern the undertaking of new settlements in future. The principal criteria laid down were:—

Progs., October 1881, Nos. 1-5.

(1) The cost of operations.

(2) The period during which operations will continue.

(3) The increment of revenue expected.

(4) The incidence of the existing assessment on individual landholders.

37. Of these, it was said, "the first and the third are, financially, of most consequence, since the basis of the principle now accepted by the Government of India is the proportion of the cost of operations to increment of revenue. But from an administrative point of view, both the second and the fourth data require paraticular attention on account, in the first case, of the vexation caused to the agricultural population by lengthened operations, and, in the second, of the unfairness to the individual proprietors which inequality of assessment involves."

38. As a general guide, it was suggested that "where the annual increase resulting

from a re-settlement would amount to not more than one-fifth of its total cost, there would be no reason either to defer it or to restrict its scope ; but that where the prospective annual increase was not more than one-tenth of such cost it would not under the financial conditions which then existed, be worth while to incur it." But, it was added, "there is certainly no intention to lay down any hard-and-fast rule of arithmetical proportion as binding on any Local Government. It will suffice to say that the relation between the outlay and the financial return expected therefrom should always be considered, ... that where special administrative reasons for a revision of settlement, such as the necessity for correcting inequality in the incidence of the land revenue, might be shown to exist, the Government of India would be prepared to entertain proposals for a re-settlement notwithstanding the absence of any prospect of financial advantage. The main point to which attention is now directed is that, in future, no settlement is to be undertaken without the previous sanction of the Government of India, before whom a carefully prepared estimate of financial results must first be placed." These orders applied to all Provinces except Madras and Bombay.

39. In 1895 the Government of India prescribed rules for the appointment and remuneration of settlement officers which included further instructions regarding the settlement operations which should not be undertaken without their previous sanction. The history and purport of these rules is given in Appendix III. So far as imperial control over the commencement of settlement is concerned, they lay down that, outside Madras and Bombay, no settlement operations which are likely to last longer than twelve months if in Bengal, or six months if elsewhere, or of which the whole cost is not to be borne by private parties, may be commenced without previous report to, and sanction of the Government of India.

40. The combined effect of the orders of 1876, 1881 and 1895 is that, except in Madras and Bombay, the authority to sanction the inception of all settlement operations of any importance, is reserved to the Government of India, and in asking for such sanction Local Governments are required to submit an estimate justifying the proposed operations with reference to the financial and administrative considerations involved. They further require that the principles of assessment should receive the previous approval of the Government

of India, and that all settlements should be made, and assessments announced subject to their confirmation.

41. These general orders have, however, been modified from time to time in the case of individual Provinces. The present law and practice in the several Provinces are summarized in Appendix II, and it will be observed that the measure of control exercised by the Supreme Government is not now uniform. Leaving aside the Madras and Bombay Governments which (except in regard to questions of general policy) are practically in independent control of the assessment of the land revenue within their jurisdictions, settlements cannot be commenced without a reference to the Government of India, by whom also the principles of assessment must be approved. (This has already been done for most temporarily-settled Provinces.) But the final confirmation of a settlement by the Government of India is no longer required in every case. In the two most important temporarily settled Provinces of northern India (the United Provinces and the Punjab) it rests with the Local Governments, who are also empowered to fix the term of settlement within certain maximum limits.

42. As an additional measure of control, the Government of India obtain annually from all Local Governments a 'calendar' of land revenue settlements. This return exhibits the term of the settlements current in each district, including any extensions sanctioned and the authority for them, also the dates on which the settlements will expire, and the amount of the revenue demand. In cases of settlements which have expired, or are within two years of expiry, information is required showing what measures if any have been taken towards revision. The Government of India and the Local Government are thus in a position to check any delay in the submission of proposals for the revision of expired settlements. Under the revenue laws, an assessment of which the term has expired remains current until fresh engagements are taken, but in practice such extensions must be regularized by the approval of the authority whose sanction would be necessary to undertake a revision of the settlement, *viz.*, the Local Governments in Madras and Bombay, and the Government of India elsewhere. Extensions of a time-expired settlement are not infrequently granted when the tract in question has recently suffered from famine, etc.

Progs., December 1901, Nos. 11-12.

43. Outside regular settlements of districts or subdivisions of districts, and during

their currency, small tracts, individual villages or holdings, and alluvial estates may come under assessment or revision of assessment for various reasons, such as deterioration of cultivation, lapse or resumption of revenue-free grants, accretions or loss of land due to fluvial action. These special or 'summary' settlements, as well as the revision of rents in escheated and other properties held direct by Government as landlord, are dealt with by Local Governments and subordinate revenue authorities (according to their importance) without reference to the Government of India.

A. R. TUCKER.

APPENDIX I.

EXTRACTS FROM ASSESSMENT INSTRUCTIONS.

United Provinces.

Zemindari settlements.

The following instructions were laid down by the Government of India in 1894 and 1895 for revenue assessments in the United Provinces :—

"3. The land revenue of India rests on the principle that by the ancient law of the country the ruling power is entitled to a certain proportion of the annual produce of every acre of land excepting in cases in which that power shall have made a permanent or temporary alienation of its right to such proportion of the produce, or shall have agreed to receive instead of that proportion a specific sum annually, or for a term of years, or in perpetuity.

"4. The assets, on which the assessment is based, include the rent received from rented areas, the estimated rental value of land held in cultivating occupation by proprietors, whether such land falls under the definition of *sir* land or not, and miscellaneous receipts from natural products.

"5. The actual rental will be ascertained as far as possible from the rents recorded in the village rent rolls, corrected, when necessary, for land held on grain rents or recorded as held free of rent or at favourable or manifestly inadequate rates, or on account of fraudulent concealment of assets or of the inaccuracy or insufficiency of the record. Any such corrections that may be needed, and the estimate of the rental of *sir* and *khudkasht* land* will be based upon rates which are actually paid, or which are derived from rents that are actually paid. In estimating the rental value of *sir* lands the Local Government may, as a matter of grace, allow a reduction when the number of proprietors is great, and their circumstances poor.

"6. The tract under assessment will be divided into assessment circles : the land will be classified according to the broad distinctions of soil which are recognized by the people as influencing rent, and standard rates will be selected for each class of soil in each circle. These rates should be derived from the rents recorded as actually paid by cash-paying tenants not holding at favourable rates for special reasons, in the estates which form the circle, excluding those estates in which the attested rental is fraudulent, grossly inadequate, or a rack rental. These rates will supply a standard by which the recorded rents may be judged : and they may be employed for the purpose of calculating the rental in cases where the assessment cannot be based on the recorded rents.

"7. The miscellaneous receipts of the proprietors will include receipts from forests, pastures, fisheries and the like, excepting stone or kankar quarries and minerals.

*I *e.*, land cultivated by the land ord himself.

"8. The assessment of an estate will ordinarily be fixed at 50 per cent. of the net assets; but the Settlement Officer may, for reasons to be recorded, deviate from this standard within a margin of 5 per cent. either way. If he thinks greater deviation desirable, he must obtain special sanction to his proposals.

"9. Large and sudden enhancements are to be avoided, and where the immediate imposition of the full revenue would cause hardship, the method of progressive assessment will be adopted.

"10. No re-assessment is to be fixed for more than thirty years except with the permission of the Government of India."

2. The rules as to deferred enhancements are as follows:— Board's Circular 1-I, paragraph 32.

".....the assessment shall be made progressive whenever the enhancement substantially exceeds 25 per cent. of the former demand. The stages of progression shall be periods of five years and the final demand shall in all cases be reached at the end of the tenth year. If the enhancement does not exceed 40 per cent., 25 per cent. will be taken at once and the final demand will become payable at the end of one stage of five years. If the enhancement is between 40 and 75 per cent., 25 per cent. will be taken at once and the remainder of the enhanced revenue will be equally distributed over two stages of five years each. If the enhancement exceeds 75 per cent., four-tenths of the enhancement will be taken at once, and three-tenths will be added at the end of the fifth and at the end of the tenth year. ....."

Punjab.

3. The assessment instructions prescribed for the Punjab between 1890 and 1893 are as follows:—

"4. The fundamental principle of land-revenue assessment is that, according to the ancient custom of the country, Government is entitled to a share of the produce of the land from time to time to be fixed by itself. The exact share to be taken is a question to be settled separately for each tract and estate under assessment according to the circumstances of the case.

"5. Unless the Local Government has, under section 48 (2) of the Land Revenue Act 1887, otherwise directed, or unless a fluctuating system of assessment has been ordered by the Local Government, the Government share of the produce must be assessed in cash at a fixed amount for each estate for a term of years.

"The 'net assets' of an estate mean the average surplus which the estate may yield after deduction of the expenses of cultivation including profits of stock and wages of labour.

* * * * *

"7. The assessment of an estate will be fixed according to circumstances, but must not exceed half the value of the net assets.

"8. .....When submitting an assessment report for a tahsil or other area the assessing officer will state, for each circle, the value of the half net assets as calculated by him, and also the amount of the re-assessment which he proposes for adoption in practice and the detailed rates by which he proposes to distribute it over the different classes of land. He

will explain how the half net assets have been calculated, and his reasons for the actual re-assessment and rates which he proposes to adopt.....Any lower assessment than half the net assets should be justified.

"9. .....The assessing officer is expected to realize the amount fixed by the orders passed on the assessment report *for the circle* within a margin of 3 per cent. either way. If he thinks greater deviation desirable, he must refer the matter for further orders before announcing his re-asssessments. In the assessment of *particular estates* the assessing officer is allowed to assess above or below rates at his discretion subject to the detailed instructions in the Revenue Circulars.

"10. No re-assessment is to be fixed for more than 20 years, except with the permission of the Government of India."*

Douie's Settlement Manual, page 216.

4. In the Punjab there are no definite rules for progressive enhancements and the matter is left to the discretion of the settlement officer; but the Settlement Manual lays down that where they are given, the initial demand should not be raised until it has been in force for five years, and that if the full revenue is to be reached by two steps, the second may be taken after the lapse of another five years.

Central Provinces.

5. The following assessment instructions have been prescribed for the Central Provinces :—

"5. The assessment of each estate will be based upon its actual assets, without taking into account any prospective assets which may be expected to accrue during the currency of the settlement.

In principle, the assets of an estate mean the average surplus which the estate may yield after deduction of the expenses of cultivation including profits of capital and wages of labour. In practice it is assumed that the rental, as finally settled, represents, with sufficient accuracy, the net assets of the land on which it is paid; and the actual assets will therefore consist of—

(*a*) The cash rental received by malguzars, or a fair valuation of the produce rents, if any.

(*b*) The rental valuation of the area held by malguzars themselves, or from them on privileged terms.

(*c*) Miscellaneous income (*Siwai*) derived from the estate.

When the rent takes the form of a share of the produce, an estimate of the average yield will form one of the factors. But commutation into money rent should be encouraged : and for the purposes of computation, the cash rents of adjacent lands of similar quality and advantages should be taken.

The rental valuation of the area held by malguzars or their grantees will be based upon the

* The question of extending the limit to 30 years is under consideration.

prevailing non-occupancy rates for land of a similar description and with similar advantages.

In estimating the amount of *Siwai* to be included in the assessable assets, the average income should be taken, and a substantial margin allowed for fluctuations.

"6. The share of the assets of each estate to be taken by Government shall ordinarily not be less than 50 per cent., nor shall it ordinarily exceed 60 per cent.* The Local Administration may, however, take less than 50 per cent. in exceptional cases, where, with regard to the circumstances of the estate and the extent of revenue enhancement, a demand of full half-assets would seem to be too heavy, while a progressive enhancement does not appear to be advisable. Also in those estates in which the revenue demand under revision is found to exceed 60 per cent. of the estimated revised assets as fixed at the revision of settlement and has hitherto been paid without difficulty, the Local Administration may impose such assessment as it thinks fit not exceeding the existing assessment and not exceeding 65 per cent. of the revised assets."

6. The rules for deferred enhancements are as follows :— Progs., August 1907, Nos. 37-38.

"I. When the settlement operations do not add to the income of a landholder by enhancement of rent immediately claimable, the assessment shall be made progressive whenever the enhancement substantially exceeds 33 per cent. of the former demand. The stages of progression shall be periods of five years, and the final demand shall in all cases be reached at the end of the 10th year. If the enhancement does not exceed 66 per cent. 33 per cent. will be taken at once and the final demand will become payable at the end of the stage of five years. If the enhancement exceeds 66 per cent. but does not exceed 100 per cent., 33 per cent. will be taken at once, an equal amount at the end of the first stage of five years, and the final demand will become payable at the end of the second stage of five years. If the enhancement exceeds 100 per cent. four-tenths will be taken at once, and three-tenths will be added at the end of the fifth and at the end of the tenth year.

II. In deciding of the terms on the progression any enhancement of rents fixed at settlement and immediately claimable by the proprietor shall be deducted from the increase of revenue, and the full assessment will be deferred only if the increase of revenue, less the amount of enhancement of rent, exceeds 33 per cent. of the former demand.

III. The Settlement Officer may decline to grant a progressive assessment or a further progression—

(*a*) when the enhancement of revenue does not exceed ten rupees ;

(*b*) when at any stage of the progression the balance of the final demand is less than ten rupees ;

* These limits were fixed with reference to the standard of assessment adopted at the previous settlement. The 'half assets' rule was never formally extended to the whole of the Central Provinces.

(*c*) in the case of large estates, when the total enhancement of revenue of the proprietor concerned in the tahsil or group being dealt with is less than 33 per cent.

Madras.

Raiyatwari settlements.

7. The subjoined extract shows how the Government demand has been assessed in Madras :—

"The normal gross produce, *i.e.*, the gross produce struck on a comparison of good and bad years, is valued by a very favourable commutation rate which is usually considerably below the average of the previous 20 years, from which, moreover all years of scarcity and high prices are excluded ; from this sum from 10 to 27 per cent. is deducted for merchant's profits and distance from markets ; another deduction is then made of from 6¼ to 25 per cent. for vicissitudes of seasons and unprofitable patches of soil, the allowance on dry lands being never less than 15 per cent. and now usually 20 to 25 per cent. ; it is from this that are deducted the estimated expenses of cultivation, and the remainder is taken as the average net produce ; of this a nominal half, usually rounded to a convenient lower figure, is taken as the Government assessment. But this again is subject to considerable reduction under the system of village or irrigation source grouping in which the circumstances, position, etc., of villages or the nature of the sources are taken into consideration, and, finally, the result is compared with existing rates and lowered if relatively too high."

8. For future re-settlements no general rules have yet been formulated for reasons which are explained in the following passages in the " Instructions for conducting resettlement":—

" The principles upon which the revision of an existing settlement should be conducted when the term of its currency expires cannot be decisively affirmed beforehand. In 1883, the Madras Government, on a reference from the Government of India, intimated that it was prepared to assent to the principle that in districts in which the revenue had been adequately assessed, the rates of assessment should be revised entirely with reference to prices and that no re-classification of soils or calculation of fresh grain outturns should be attempted. But in view of the impossibility of foreseeing economic changes, the Secretary of State, in his despatch of 8th January 1885, printed as an enclosure to G. O. No. 3, Revenue, dated 8th January 1894, declared against the policy of laying down hard-and-fast rules pledging the Government of the future to a particular line of action in dealing with revisions of assessments.

" The question of the resettlement of each district must, therefore, be left to be dealt with as its arises. At the same time, Government have recognised that the revision of assessment with reference to prices must continue to be the main factor of every ryotwari resettlement where the true initial rates have been ascertained and are on record for consideration.

"It should, however, be noted that Government will refrain from enhancing the assessment in respect of any additional value which may have been imparted to the lands by improvements effected by ryots even if carried out by means of money borrowed from Government."

9. As regards progressive enhancements, the rule in Madras is that when the demand on the holding exceeds 25 per cent. of the expired assessment, 25 per cent is taken at once, and the remainder by instalments (annually) of $12\frac{1}{2}$ per cent. on the old demand.

Settlement Manual, Chapter II, page 13.

Bombay.

10. Sections 106 and 107 of the Bombay Land Revenue Code, 1879 (as amended by Act IV of 1886) lay down the re-settlement principles for the Bombay Presidency and run as follows:—

"106. It shall be lawful for the Governor in Council to direct, at any time, a fresh revenue survey or any operation subsidiary thereto, but no enhancement of assessment shall take effect till the expiration of the period previously fixed under the provisions of section 102: Provided that when a general classification of the soil of any area has been made a second time, or when any original classification of any area has been approved by the Governor in Council as final, no such classification shall be again made with a view to the revision of the assessment of such area."

"107. In revising assessments of land revenue regard shall be had to the value of land and, in the case of land used for the purposes of agriculture, to the profits of agriculture: Provided that if any improvement has been effected in any land during the currency of any previous settlement made under this Act, or under Bombay Act, I of 1865, by or at the cost of the holder thereof, the increase in the value of such land or in the profit of cultivating the same, due to the said improvement, shall not be taken into account in fixing the revised assessment thereof."

10. Briefly stated the principles adopted by the Local Government are—

(1) That enhancements of assessment shall be based on 'general considerations' and not on the increase of value in particular fields.

(2) That the occupant shall enjoy the entire profit of improvements made at his own cost.

11. To further secure occupants in the enjoyment of their improvements it has been laid down that "land which though arable, was at the first survey included in a survey number as unarable, and was left unassessed, shall also be left unassessed at the revision settlement for the benefit of the occupant".

Bombay G. O. No. 2619, dated 26th March 1884

12. In 1884 the following instructions, originally issued in 1874 for limiting the increase of the revenue demand at revision of settlement in certain districts of the Deccan, were made of general application :—

1st.—The increase of revenue in the case of a taluka or group of villages brought under the same maximum dry-crop rate shall not exceed 33 per cent.

2nd.—No increase exceeding 66 per cent. should be imposed on a single village without the circumstances of the case being specially reported for the orders of Government.

3rd.—No increase exceeding 100 per cent. shall in like manner be imposed on an individual holding.

The third limit is rarely reached unless the occupant has encroached on unassessed land or when an original soil classification has to be revised.

Bombay G. O. No. 3541, dated 4th May 1885.

13. In order to mitigate excessive individual enhancements a graduated remission is allowed on the following scale :—

Enhancements on a holding—

in excess of 25 per cent. should be remitted for the first two years.

" " 50 per cent. for the 3rd and 4th years.

" " 75 per cent. for the 5th and 6th years.

Bombay G. O. No. 7447, dated 21st October 1886.

14. Another feature of the Bombay system is that the revenue payers are given the fullest opportunity of discussing the assessment rates before they are sanctioned and representing any matters bearing on the valuation of their land.

Burma.

15. The following extracts from the instructions framed for the guidance of settlement officers explain the standard of assessment prescribed for in revision settlement in Lower Burma and original settlements in Upper Burma :—

Lower Burma.

"The fundamental principle of land revenue assessment is that Government is entitled to a share of the produce of the land from time to time to be fixed by itself. The exact share to be taken is a question to be settled for each tract according to the circumstances of the case. The Government share of the produce must be assessed in cash at a fixed amount per acre for each class of soil or crop for a term of years. The net produce of land means the

balance of the gross produce after deduction of the cost of cultivation. On irrigated lands the cost of cultivation includes the cost of irrigation and the amount of the water-rate, if any, imposed by Government. The standard proportion of the net produce to be taken by the State in Burma is one-half, but for the present the rates in Lower Burma will be framed so as not ordinarily to take more than one-fourth of the net produce.*

* * * * * *

"The main factors determining the assessment rates to be imposed are:—

(1) The productiveness of the soil.

(2) The price of the produce.

(3) The cost of cultivation and the cost of of living,

and any change which may have occurred in any of these factors since settlement would be a reason for altering the assessment rates fixed at last settlement. The cost of living is excluded in working out the theoretical standard, but it is desirable to ascertain it in order to learn the condition of the people."

Upper Burma.

"The Government share of the produce must be assessed at a fixed money-rate per acre for each class of soil or crop for a term of years which will be determined for each district separately. These rates are only to be levied on lands on which a matured crop has been raised. In the Dry Zone of Upper Burma, * * * a crop is held not to have matured if it is estimated that the outturn will be less than one-fourth of the average outturn as ascertained at settlement for similar crops on similar lands in the same assessment tract. Outside the Dry Zone a crop is held to have matured if it it will be reaped, *i.e.*, if it has not totally failed and been abandoned. In all parts of Upper Burma nurseries off which no crop is taken later in the year are not to be assessed.

* * * *

"The maximum rate of assessment of State land shall not ordinarily exceed one-half of the net produce. If, after considering the effect of an assessment at maximum rates, the Settlement Officer has reason to think that lower rates should be adopted, he should show alongside of the maximum rates those rates which he recommends, and should give a clear statement of his reasons for recommending them.

"In the case of non-State land in districts or tracts in which there has hitherto been a well-marked distinction between State and non-State land, and in which owners of non-State land have in the past received favourable treatment in the assessment of their land, as compared with similar State lands, and have been reasonably led to anticipate that such favourable treatment will be accorded them in the future, the land revenue rates may be reduced below

*This standard has rarely been reached in recent settlements and its revision is under consideration. The term of settlement is usually 15 years but the advisability of extending it has been referred to the Local Government.

the rates on similar State land by an amount not exceeding 25 per cent.

* * * * *

"It is of primary importance that the assessments of revenue and water-rate should not be so high as to impose on the people the necessity of lowering their standard of living or curtailing their common comforts. No people can be expected to live contentedly under burdens which impose such a necessity."

Pros., July 1901, Nos. 22-24.
Pros., October 1901, Nos. 53-54.

16. As regards deferred enhancements, it has been laid down that in the case of revisional settlements when a rate is enhanced by more than 50 per cent., an intermediate rate must be fixed for the first five years. In the case of original settlements immediate enhancements in excess of 100 per cent. require the sanction of the Governor General in Council. The Local Government has recently been asked to consider whether a more liberal rule for deferred enhancements should not be introduced.


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APPENDIX II.

Summary of Law and Practice in the several Provinces as regards general control over Land Revenue Settlements.

Madras.

1. With the exception of Madras Regulation XXV of 1902 (the Madras Permanent Settlement Regulation), under which the permanently settled estates of the Presidency were constituted, "there are no legal enactments specially affecting settlement officers. They work under departmental rules".

Standing Information, page 68.

2. Section 36 of Madras Regulation I of 1803 (duties of Board of Revenue), and sections 38 and 39 of Regulation 2 of 1803 (duties of Collectors) are still referred to as the settlement law of the Presidency, but they are of somewhat remote application at the present date.

The former runs—

"The Board of Revenue shall submit, as soon as practicable, to the consideration of the Governor in Council, all settlements of the public revenue in cases where the revenue may not have been permanently fixed; and such settlements shall not be considered to be valid until confirmed by the authority of the Governor in Council".

The latter runs—

"38. In districts where the land tax may not have been permanently fixed, Collectors shall investigate, with care and with attention, the rules which have immemorially guided the assessment of the public revenue.

"39. Collectors shall state the results of their investigation to the Board of Revenue, and shall regulate their demands on the raiyats on principles of moderation, and with a just regard to the rights of Government, to the rights of the people, and to the prosperity of the country".

3. Settlements are undertaken under the orders of the Local Government, and the settlement officer is required to submit for the orders of the Board of Revenue and Government a "scheme report embodying his proposals for the re-settlement, giving at the same time full particulars of the financial results of their application".

Re-settlements Manual, page 5.

Board Standing Orders, Volume I, page 3.

4. At each settlement or re-settlement the Local Government fixes at its discretion the period for which such settlement or re-settlement shall be in force.

5. In 1872 the Madras Government objected to the intervention of the Government

of India in certain settlement proceedings, and claimed independence in settlement matters on the strength of a letter (No. 1306), dated 16th October 1856, from the Supreme Government, which left to the Governor in Council, "subject to the orders of the Honourable Court (of Directors), the final disposal of the various questions discussed in connection with the present project" (*i.e.*, the reform of the Madras settlement system). It was however ruled by the Government of India, with the approval of the Secretary of State, that neither the Regulation of 1803 nor the orders of 1856 did, or could, affect the statutory powers of control vested in the Supreme Government by the 65th clause of Act 3 and 4, William IV, Cap. 85, the exercise of which, whenever circumstances required it, was specially enjoined by the Court of Directors in their Despatch No. 44, dated 10th December 1834, transmitting the Statute Accordingly the Local Government was required (letter No. 119, dated 11th January 1876) to obtain the approval of the Government of India before any substantial alteration is made in the principle of the assessment of the land revenue. These instructions are still in force.

Pros., March 1875, Nos. 52-64.

Pros., February 1876, Nos. 6-18.

6. Settlement operations in Madras are undertaken, and settlement officers appointed, without reference to the Government of India, and when they do not fall under the instructions referred to in the preceding paragraph, the Madras Government report their settlement proceedings direct to the Secretary of State, but copies of their despatches are simultaneously forwarded to the Government of India.

Pros., September 1895, Nos. 56-58.

Bombay.

Imperial control.

7. As regards control by the Government of India, the position is the same as in Madras and the same instructions apply.

In 1874 the Government of India had occasion to question the correctness of certain principles of assessment laid down in a Bombay Government resolution, and in reporting the matter to the Secretary of State they said—

Pros, March 1875, Nos. 6-19.
" April 1877, Nos. 11-14.

"By section 43 of the Indian Councils Act, 1861, Local Governments are debarred from making any regulation, or taking into consideration any law or regulation, directly affecting the Imperial finances without the previous sanction of the Governor-General, and it appears to us open to question whether a similar rule should not obtain in regard to resolutions which have virtually the force of law, embodying novel principles in regard to the assessment of the land revenue or any other Imperial demand, tax or duty".

On this general issue the Secretary of State expressed no opinion, but in regard to the particular case he observed—

"2. With regard to the opinion expressed in the 2nd paragraph of your despatch that when questions involving important principles are under the consideration of a Local Government, the publication of the views of that Government, and the issue of instructions to the officers concerned, should be deferred until the Government of India has had an opportunity of expressing an opinion on the subject. I presume that this ruling is to be unde stood to apply only when the Local Government proposes innovations in the established practice which at once involve general principles of importance, and seriously affect the land and other Imperial sources of revenue.

3. Subject to this qualification, and as applied to the present case, your views have my entire concurrence".

8. Completed settlement reports, with the orders of the Bombay Government thereon, are sent up *pro forma* as "Selections from Records" to the Government of India for information at the same time that they are forwarded to the India Office. These reports are usually received long after the settlements to which they relate have been concluded.

On most settlement matters the Local Government address the Secretary of State direct.

Provincial control.

9. Section 25 of the Survey and Settlement Act of the Bombay Council (No. I of 1865), empowered the Governor in Council to confirm land revenue settlements, *i. e.*, no assessment could run for more than a year unless sanctioned by him. By section 5 of the same Act, the control of revenue surveys also vested in the Governor in Council, but appointments of survey and settlement officers were subject to the control (apparently financial only) of the Governor General in Council.

10. The authority of the Local Government over settlements was continued and more clearly defined by the legislation of 1879 which produced the Bombay Land Revenue Code (Bombay Act V of 1879). Section 95 of the Code makes it lawful for the Governor in Council "whenever it may seem expedient, to direct the survey of any land in any part of the Presidency with a view to the settlement of the land revenue, and to the record and preservation of the rights connected therewith, or for any similar purpose". Under section 102, "the assessment fixed by the officer in charge of a survey shall not be levied without the sanction of Government. It shall be lawful for the Governor in Council to declare such

assessments, with any modifications which he may deem necessary, fixed for a term of years not exceeding thirty in the case of lands used for the purpose of agriculture alone, and not exceeding ninety-nine in the case of all other lands'. Under section 214 of the Code it rests with the Governor in Council to make rules 'regulating the system and manner of assessing land to the land revenue".

11. Assessments are "declared" or guaranteed by a notification in the *Gazette* giving a list of the villages settled and the amount of the assessments sanctioned, and stating the term of years for which they have been fixed.

Sathe's Land Revenue Code, page 159.

12. The Director of Land Records is responsible for reporting to the Revenue Commissioner, three years beforehand, the date on which a current settlement will expire. An officer is then appointed with the approval of Government to prepare the settlement proposals after a thorough inspection of the tract, and they are submitted to Government for sanction, through the Collector and the Commissioner, before the current settlement expires.

Bengal.

(*Note.*—In Bengal the only large areas under the temporary settlement system lie in Orissa, Chittagong, Chota Nagpur and the Darjeeling Terai. But throughout the Province there are scattered individual estates or groups of estates not under permanent settlement, the assessment levied on which is liable to periodic revision, and is of the nature of rent or land revenue according as the settlement is made with the cultivators direct or with intermediaries having the status of landlords. Rents in Government and private estates alike are settled under the rent laws applicable to the various tracts, the principal enactments on the subject being Act VIII of 1885 and Act VIII (B. C.) of 1879; while settlements of land revenue, as distinct from rent, are made under the old Regulations. The distinction is not however always maintained in Bengal revenue parlance, where the term "settlement of land revenue" is generally held to include a settlement of rents payable to Government, *cf.* explanation 1 to section 101, Bengal Tenancy Act, 1885.)

Imperial control.

13. Under the general orders issued by the Government of India in 1876 the confirmation of the Supreme Government is required to "all settlements of districts or parganas or other sub-divisons of districts" and under the orders of 1881 no settlement can be undertaken "without the previous sanction of the Government of India, before whom a carefully prepared estimate of financial results must first be placed."

Pros., February 1876, Nos. 6-18.
Pros., October 1881, Nos. 1-5.

Progs. November 1887, No. 36.

14. In 887 the Bengal Government's attention was directed to the Resolution of 1881 with a view to its better observance, and it was then agreed that it should not apply "to the petty settlements annually conducted in great numbers by the Board of Revenue and District Collectors" without special reference to the Local Government.

15. Under the settlement appointment rules of 1895 (see Appendix III) any settlement operations which are likely to last longer than 12 months require the previous sanction of the Government of India to their inception.

Provincial control.

16. Regulation VII of 1822, (The Bengal Land Revenue Settlement Regulation) which originally applied only to the 'ceded and conquered Provinces' (now the United Provinces), and parts of Orissa, was made applicable by Regulation IX of 1825 to all lands not held in permanent settlement in the Lower Provinces. Under the Regulation, Collectors carried out revision settlements subject to the orders of the Board of Commissioners (now the Board of Revenue), and Government, but settlements and leases, except for short periods, continued to be reported for the sanction and confirmation of the Governor General in Council who at that time administered Bengal. Subsequently, the Board's powers were enlarged and they could confirm settlements for terms up to 20 years. In 1837 these powers were delegated to the Commissioners of Revenue and Circuit created by Regulation I of 1829, the Board's duties being chiefly confined to general superintendence and control, and the cognizance of appeals from the Commissioners' proceedings. Settlements in perpetuity still required the sanction of Government.

Progs. March 1875, Nos. 52-64.

17. In 1842, revised rules of practice were approved, which gave to Collectors authority to sanction temporary settlements when the assessment did not exceed Rs. 200, and to Commissioners, power to confirm all temporary settlements above that limit as well as all permanent settlements 'of any jumma (assessment) whatsoever'. In 1855, the limit for Collectors was raised to Rs. 500. In 1855 also, the Resolution of the Supreme Government No. 168, dated 26th January 1855, transferred to the Lieutenant-Governor of Bengal the authority in all matters relating to civil administration (including settlements) hitherto exercised by the Governor General as Governor of Bengal.

18. No further changes were made until 1871 when new instructions for the conduct of settlements were issued by Sir George Campbell, and the powers of local officers were temporarily withdrawn; all settlements had to be sent up for the sanction of the Board of Revenue, who were required to report their proceedings to Government.

19. The orders of 1871 were cancelled in 1874 and local officers were again invested with authority to sanction temporary settlements. Their powers at the present time are as follows:—

Collectors may confirm all summary settlements (*e.g.*, year to year extensions of regular settlements pending revision) of whatever rental, and temporary regular settlements of which the amount of assessment does not exceed Rs. 500. Commissioners may confirm temporary regular settlements above Rs. 500, and up to Rs. 10,000, and the Board of Revenue above Rs. 10,000 and up to Rs. 25,000. The Board may also sanction permanent settlements to which the proprietors have a statutory right (*e.g.* resumed revenue free tenures). Temporary settlements above Rs. 25,000, and all permanent settlements for which no statutory right can be claimed are reported to the Local Government for orders. These delegations apply only to the settlement of individual estates: settlements of parganas or districts have under the orders referred to in paragraph 13 to be reported to the Government of India.

Survey and Settlement Manual, page 118.

20. In the case of rent settlements under Act VIII of 1885 and VIII (B. C.) of 1879, the only confirmation required by law is to the proposed rates, and Commissioners have been empowered to sanction general rates when the total rents involved do not exceed Rs. 5,000. Above that amount the Board's sanction is required.

Eastern Bengal and Assam.

21. Bengal settlement rules and procedure are still current in the districts transferred from that Province to Eastern Bengal.

22. In Assam, the issue of a notification (and any subsequent amendment thereof) bringing any local area or class of estates under settlement, survey, or record-of-rights requires the previous sanction of the Governor General in Council (section 18, Land and Revenue Regulation I of 1886) but the prescription of "principles on which the land revenue is to be

assessed, the term for which, and the conditions in which, settlements are to be made, and the manner in which the settlement officer is to report for sanction his rates and method of assessment", are all matters within the discretion of the Local Government subject only to the general control of the Government of India (sections 29 and 157 (3).

23. When a settlement has been made and announced by the settlement officer it is binding on the landholder and on the Local Government, which fixes the term for which the assessment is to run, but the settlement is not final as against the Government until it has been sanctioned by the Governor General in Council (section 34).

Progs. December 1905, Nos. 1-2.

24. Under executive orders the assessment rules framed by the Local Government from time to time under the Revenue Regulation have been sent up to the Government of India for sanction and, until 1905, the assessment rates proposed were also reported for their approval before they were finally fixed and announced. In 1905 a new system of assessment having been introduced and approved by the Government of India, and the constitution of the Local Government having been raised to a Lieutenant-Governorship, the latter resriction was relaxed; the assessment proposals are no longer forwarded, but the final report of the settlement as completed is submitted for the sanction of the Government of India as required by law.

*United Provinces.**

Imperial control.

Progs. November 1875, Nos. 1 6.

25. Act XIX of 1873, (The North-Western Provinces Land Revenue Act), which repealed the old settlement Regulations (VII of 1822, etc.) extant in those territories; empowered the Local Government (section 36), to bring any area under settlement by notification, but required (section 39), the previous sanction of the Governor General in Council to the rules "regarding the mode in which the revenue demand is to be assessed." In accordance with the existing practice, however, the authority to confirm settlements and determine the term for which they were to be made was vested in the Local Government (section 92). It does not appear to have been customary

* In Oudh the commencement of settlement operations and the settlement rules required the sanction of the Government of India, who also gave final confirmation to the settlement and fixed its term (sections 14, 15, and 43, Oudh Land Revenue Act XVII of 1876). After the amalgamation of the Chief Commissionership of Oudh with the North-Western Provinces, the jurisdiction of the Board of Revenue, North-Western Provinces was extended to Oudh (Act XX of 1890). In 1901 the revenue laws of the United Provinces were amalgamated (Act III (U. P.), 1901), and the settlement procedure became uniform.

for the Government of India to review the final settlement reports before such confirmation was given.

26. The Government of India's general orders of 1876 and 1881 restricted the statutory right of the North-Western Provinces Government by forbidding it to commence and confirm a settlement (except in the case of individual estates), without their previous approval, and these orders governed the practice till 1894 when the Government of India reduced its control to (*a*) the approval of the general principles of assessment, and (*b*) sanction to the inception of settlement operations including a forecast of the financial results. The first condition was embodied in section 62 of the consolidated Land Revenue Act III (U. P.) of 1901 for the North-Western Provinces and Oudh, which requires the Local Government to make rules for the guidance of settlement officers "in accordance with general principles sanctioned by the Governor General in Council". The second was embodied in "Assessment Instructions" agreed to between the Supreme and Local Governments. It is not incorporated in the revenue law, section 59 of which leaves the inception of settlement operations to the Local Government. Section 94 of the Act of 1901 also leaves the power to finally confirm settlements and to fix the term with the Local Government, but the "Assessment Instructions" require a reference to the Government of India if the term exceeds 30 years.

A. Progs., July 1894, No. 48; December 1894, Nos. 32-34; March 1895, Nos. 1-2.

27. The final settlement reports now come up to the Government of India for information only. Under the orders of 1894 the assessment reports for tahsils or parganas with the orders of the Local Government thereon were also submitted to the Government of India, but the practice was discontinued in 1898.

A. Progs., May 1898, No. 24.

Provincial control.

28. The Local Government's powers of control are indicated above. Assessments are reported through the Board for its orders by tahsils or parganas before they are announced and not, as formerly, on completion of the whole settlement. This change in practice was introduced in 1894 at the instance of the Government of India. When the assessment of the whole district is complete it is reported to the Local Government for final sanction.

29. Subject to the orders of the Local Government, the Board of Revenue are the chief controlling authority in land revenue matters. Section 63 of the Land Revenue Act requires the settlement officer to report the rent-rates on which he proposes to

Act III (U. P.) 1901, section 5.

base his assessment to the Board of Revenue for sanction, and section 64 lays down that the assessment should be announced (subject to Government sanction) on receipt of the Board's orders.

Board's Circulars.

By executive instructions, however, after approval of the rent-rates the proposed assessment themselves must be reported before announcement through the Commissioner to the Board (who submit them to the Local Government under the orders referred to in paragraph 28).

30. The orders summarized in the preceding paragraphs apply to the regular settlement of parganas or larger areas. The settlement of individual estates which for any reason (resumption of revenue free-tenure, deterioration, etc.,) come under assessment or revision of assessment during the currency of a settlement, is carried out by the Collector and sanctioned by the Commissioner (section 102, Act III (U. P.), 1901); but the power of Commissioners to sanction such settlements without reference to higher authority has been restricted by rule—see paragraph 15, Appendix IV, to the "Note on Commissioners."

Panjab and North-West Frontier Province.

Imperial control

31. The Panjab Land Revenue Act, XXXIII of 1871, which was the first revenue law of the Province and superseded previously existing executive instructions, required the sanction of the Government of India to the inception of settlement operations and the principles of assessment, but empowered the Local Government to sanction the settlement. All rules under the Act required the previous sanction of the Government of India and annual republication (section 67).

Sections 9, 11 and 17.

32. The revised Act passed in 1887 (Act XVII) also laid down (section 49) that "a general re-assessment of the land-revenue of a district or tahsil shall not be undertaken without the previous sanction of the Governor-General in Council and notification of that sanction", and that "in granting the sanction the Governor-General in Council may prescribe principles of assessment and give such other instructions as he thinks fit."

Section 53 declares that "an assessment of the land-revenue of a district or tahsil shall not be considered final until it has been confirmed by the the Local Government" and that "the Local Government shall, when confirming an assessment, fix the period for which the assessment is to be in force."

The general power to make rules was delegated to the Financial Commissioner subject to the sanction of the Local Government, but all rules under the Act were declared "subject to the control of the Governor General in Council" (sections 155 and 156).

33. Principles of assessment were prescribed by the Government of India in 1873 for the Delhi Division, and subsequently modified from time to time for particular districts. Between 1890 and 1892 these rules were further discussed between the Supreme and Local Governments, and eventually took the form of "Assessment Instructions" the terms of which were settled in conference. The instructions embodied the orders of 1881 requiring the submission of a forecast of financial results before commencement of settlement operations. But they also laid down that—

A., Progs., November 1873, Nos. 16-19.

"Should the re-assessment of a tahsil as finally arranged fall short of the forecast, as accepted by the Government of India, by more than 15 per cent., the instructions of the Government of India must be taken before the re-assessment is actually announced, unless the deficiency is covered by a surplus in other tahsils already assessed under the same sanction."

A limit was also placed on the discretion of the Local Government in fixing the term of settlement by ruling that "no assessment is to be fixed for more than 20 years except with the permission of the Government of India."*

34. Under section 50 of the Act, the authority to give initial sanction to assessments is the Financial Commissioner, and (section 51) the assessments are to be announced by the settlement officer after receipt of such sanction; but the "Instructions" require that "the Financial Commissioner shall submit the settlement officer's report with the Commissioner's review, and the orders which he proposes to pass thereupon for the approval of the Local Government."

Provincial control.

35. "Special assessments" that is, assessments or revisions of the Government demand made for special reasons during the currency of a settlement of individual estates or small local areas, are made under rules framed by the Financial Commissioner, (subject to the Local Government's sanction under section 155), and are confirmed by him.

* The question of extending the term is under consideration.

Burma.

36. Under the Lower Burma Land and Revenue Act, II of 1876, the Local Government is empowered to make rules—

(*a*) for fixing the rates of assessment and determining under what circumstances each description of rate is to be imposed (section 24);

(*b*) to determine whether the settlement to be offered in particular cases shall be at a fixed assessment on the entire holding or at an acreage rate, and the general principles on which the amount or rate shall be fixed (section 27); and

(*c*) as to the term for which the settlement should be made.

These rules in common with all other rules under the Act are subject to the sanction of the Government of India (section 60).

37. Subject to rules framed as above "the nature and stipulations of the settlement to be offered in each case" are declared to be in the discretion of the assessing officer (section 27) and when the settlement offered by him has been accepted it becomes final (section 28), that is, there is no provision in the Act which requires the confirmation or ratification of higher authority, consequently any control exercised over the assessment rates must be exercised before the offer of settlement is made.

38. In the assessment rules originally sanctioned by the Government of India no provision was made for the submission of settlement proposals for their sanction, and they decided in 1880 not to require the submission of rent rate reports or to direct that the settlement engagements should be of a provisional nature pending the approval of the Government of India. But as the operations then in progress were the first regular settlements in Burma they desired that the first settlements concluded should "be reported without delay for the information of the Government of India who will thus be in a position to judge of the principles which have been adopted in the settlement of Burma, to correct anything in them that needs correction and indicate their views as to the line to be taken in future".

Progs. February 1880, Nos 70-71.

39. In 1897 these settlements, which were for a term of fifteen years, came under

revision, and in their orders on the application of the Local Government to commence operations, the Government of India, in modification of the views previously expressed, determined to exercise the same control over settlements in Burma as they had already imposed on settlements in the Punjab, United Provinces and Central Provinces. The rules framed in pursuance of this decision were ultimately incorporated in the instructions for settlement officers. They lay down that the general re-assessment of a district or township (sub-division of a district) cannot be undertaken without the previous sanction of the Government of India. In applying for sanction the Local Government has to submit a rough forecast of the expected financial results of the assessment. The area under settlement is divided into tracts and the settlement officer's assessment report for each tract or settlement circuit, with the Local Governments proposals in the form of a draft resolution, are forwarded to the Government of India for sanction to the revenue rates which it is proposed to impose.

Pr gs August 1897, Nos. 20-21.
Progs. July 1899. Nos. 35 36.
Progs. August 1903, Nos. 11-21.

Instructions for revision settlements in Lower Burma, 1907.

40. In Upper Burma, under the Land and Revenue Regulation III of 1889, rules for the levy of the *thathameda* tax (which is taken into account in the revenue assessments) are framed by the Local Government (section 22). The land revenue payable on other than State lands, and the period for which it shall be paid, are regulated by rules made by the Local Government subject to the previous sanction of the Government of India, and the same sanction is required to any abatement allowed on the rates fixed under the assessment rules, and to its withdrawal or decrease at future revisions of settlement (section 27). The Local Government fixes by notification the date from which a new assessment takes effect (section 28A). Rules for the disposal and occupation of State land which is waste are made by the Financial Commissioner subject to the approval of the Government of India (section 26).

41. The executive instructions for securing the control of the Government of India over settlement operations in Upper Burma are the same as for Lower Burma, except that the settlement report deals as a rule with entire districts instead of assessment circles.

Instructions for original settlements in Upper Burma.

Central Provinces.

Imperial control.

42. Full powers of control over revenue settlements in the Central Provinces are reserved to the Government of India under the Land Revenue Act (XVIII of 1881). The previous sanction of the Governor General in Council is required to bring any 'local area' under settlement (section 28); to "the principles on which land revenue is to be assessed and the sources of miscellaneous income to be taken into account in the assessment" (section 47); all offers of assessment are made by the settlement officer subject to confirmation by the Governor General in Council (section 53) who may "rescind any assessment submitted to him for confirmation (section 56)."

Pros., February 1894 No. 13.
" November 1894. Nos. 27-28.
" April 1895, Nos. 3-4.
" January 1900, Nos. 18-19.

43. Assessment instructions were framed for the Central Provinces in 1895. Under these instructions when the Local Government applies for sanction to the resettlement of any local area it sends up a preliminary report showing how the settlement is to be carried out, a forecast of the expected financial results with the grounds upon which it is based, and provisional proposals as to the period for which the new settlement should run. After receipt of sanction to the inception of settlement operations the Local Government submits from time to time "for each tahsil a tahsil report containing a short account of the salient agrarian and economic features of the tract, the rates of rental, the rates of rental enhancement * of each class of tenant justifiable upon general considerations, the standard rate of rental enhancement which it is proposed to adopt, the standard percentage of assets which it is proposed to take from proprietors, the estimated increase of the new over the old assessment of the tract, and the precise term for which the settlement is to be made".

44. When orders have been passed on the tahsil report by the Government of India, the settlement operations are carried to completion "but should the settlement officer have reason to believe during the course of settlement that the percentage of the total rental enhancement will differ by more than 10 from the sanctioned standard, or that the amount of the proposed revenue demand will differ by more than 10 per cent. from the amount which would have resulted from the application of the sanctioned government share to the assets as finally ascertained, the probability of the deviation occurring" must be reported to the Government of India.

* In the Central Provinces the Settlement Officer fixes the rents of tenants as a preliminary to the assessment of land revenue payable by the landlord.

The settlement of the local area when finally completed is reported to the Government of India for confirmation.

45. The revision of these instructions is now under consideration with a view to dispensing with the submission of the tahsil reports to the Government of India for formal sanction and deferring the determination of the term of settlement "until after the assessments have been announced and the result of the assessment has been thoroughly ascertained." Pros., August 1907, Nos. 19-22.

46. By section 5 of the Land Revenue Act the Chief Commissioner is declared to be the chief controlling revenue authority subject to the control of the Governor General in Council. He may, however, (section 32) with the previous sanction of the Government of India appoint a Settlement Commissioner and delegate to him any of his own powers in regard to settlement matters. Proposals are under consideration for a modification of the Act to provide for the appointment of a Financial Commissioner, to whom also any powers and functions of the Chief Commissioner may be assigned. **Provincial control.**

47. A revenue survey may be instituted in any 'local area' by notification of the Chief Commissioner (section 27) but if the area is to be assessed, the previous sanction of the Government is, as above stated, necessary.

Under section 52 the Chief Commissioner may make rules prescribing the manner in which the settlement officer shall report for sanction his rates and methods of assessment, and no assessments can be offered without his previous sanction. At any time before a settlement is confirmed by the Government of India, the Chief Commissioner may revise or rescind an assessment (sections 53 and 56).

48. The Chief Commissioner has special powers to reduce the new assessment of any estate after it comes into force for any period up to ten years from the date on which it takes effect, and to make annual assessments in the case of jungle villages (section 46). He may also make rules for the assessment of land held on raiyatwari or peasant proprietary tenure* (section 67A) and for the grant of the occupancy of land to raiyats during the currency of a term of settlement (section 67F).

* In 1889 (Act XVI of 1889) provisions were inserted in the Land Revenue Law to admit of the settlement on a raiyatwari tenure, similar to that of Bombay, of areas to which the malguzari or landlord system of tenure does not extend.

Berar.

49. The Bombay raiyatwari system prevails in Berar which was placed under the administration of the Chief Commissioner of the Central Provinces in 1903. By sections 83 and 94 of the Berar Land Revenue Code the sanction of the Government of India is required to the inception of survey-settlement operations, and by section 90 to the term for which the settlement is to run. The term is limited (as in Bombay) to thirty years in the case of land used for agricultural purposes, and to ninety-nine years in any other case.

50. No assessment instructions have been framed by the Government of India for Berar the new settlements of which have been completed, but under the general orders referred to in the Memorandum (paragraph 40) a preliminary report and financial forecast must be submitted to the Government of India when their sanction is sought to the commencement of a settlement, and a final report when the settlement is submitted for their confirmation. No intermediate reports (such as are required in the case of the Central Provinces) are submitted for Berar.

51. The control of settlement operations vests in the Chief Commissioner as the highest revenue authority recognized in the Code (section 5) but the Governor General in Council may empower any other officer to sanction assessments (section 90).

Ajmer.

52. Under the Ajmer Land and Revenue Regulation II of 1877 the Chief Commissioner is empowered to make rules for the assessment of the land revenue (sections 60 and 110). The assessments thus made and announced are binding on the landlord who accepts them (section 61) for the term of settlement, which is fixed by the Chief Commissioner with the previous sanction of the Government of India (section 59) but the settlement is not "final as against the Government" until it has been sanctioned by the Governor General in Council (section 61).

Coorg.

53. Under section 49 of the Coorg Land and Revenue Regulation I of 1899, the previous sanction of the Governor General in Council is required to a general reassessment of the land revenue, and "in granting such sanction the Governor General in Council may prescribe such principles of assessment and give such other instructions as he thinks fit." No assessment is final until it has been confirmed by the Chief Commissioner who

may modify the assessment of any holding at any time before it is confirmed by him. When confirming an assessment the Chief Commissioner has to fix the period for which it is to be in force, but must first obtain the sanction of the Governor General in Council to the period so fixed (section 53).

54. In certain cases assessments may be made or revised during the currency of a general settlement, as for instance when waste or revenue-free land becomes liable to assessment, or an estate comes under irrigation from Government irrigation works, or a reduction of the demand becomes necessary from any cause These are called special assessments and are made in accordance with rules framed by the Chief Commissioner, but by the terms of section 53, the sanction of the Government of India is required to the period for which the new assessment is to run in each case. This effect of section 53 has been found to result in unnecessary references to the Government of India, particularly in connection with the numerous cases in which the assessment has to be revised owing to lands being thrown out of coffee cultivation. The intention is to give the Chief Commissioner full power to sanction these special assessments when the Regulation again comes under amendment.

Pros, January 1901, Nos. 23-24.
Pros., September 1901, Nos. 5-6.

Summary.

55. In Madras and Bombay the Local Governments have full power to sanction the inception of settlement operations, to confirm settlements and to fix the period for whch they are to be in force. In Bombay, however, the maximum settlement term is limited by law to thirty years. The Local Governments frame the settlement instructions, but no substantial alterations in the principles of assessment may be made without the approval of the Supreme Government.

56. In the remaining Provinces the position is as follows :—

(*a*) *Inception of settlements.*—Under the provisions of the revenue laws in force, a settlement cannot be commenced in the Panjab, North-West Frontier Province, Assam, Central Provinces and Berar and Coorg, without the previous sanction of the Government of India. In all other Provinces (Bengal, Eastern Bengal, United Provinces, Burma, Ajmer) the same restriction is imposed

by the Government of India's executive instructions, except as regards small settlements which can be carried out within a period of six months.

(*b*) *Principles of assessment.*—The revenue laws specifically provide for the sanction of the Government of India to principles of assessment in the case of the United Provinces, the Punjab, North-West Frontier Province, Burma, the Central Provinces and Coorg. In other Provinces their submission to the Government of India for approval is required by executive orders, or by general provisions in the revenue laws subjecting the rule-making powers of the Local Government to the sanction or control of the Governor General in Council.

(*c*) *Confirmation of settlements.*—The final ratification of a land revenue settlement, as apart from the fixation of the term, vests in the Government of India by law in Assam the Central Provinces and Ajmer. By the excutive instructions issued in 1876 which are still applicable to them, the Government of Bengal and the Chief Commissioner of the Central Provinces in respect of Berar are required to obtain the confirmation of the Government of India to temporary settlements which are not of a petty character. In the United Provinces, the Panjab, and North-West Frontier Province, the Local Governments are empowered by law to confirm settlements and there are now no executive orders restraining them from exercising the power. In Coorg also the confirmation of settlements rests with the Chief Commissioner. In Burma the Government of India sanction the assessment rates, and the subsequent individual assessments become final by operation of law.

(*d*) *Term of settlement.*—In the United Provinces, the Panjab and the North-West Frontier Province, the Local Governments have statutory power to fix the term of settlement, but the Government of India have by rule fixed a maximum term which may

not be exceeded without their sanction. In Burma, Berar, Ajmer and Coorg, the law requires that the Governor General in Council should sanction the term. In other Provinces (Bengal, Eastern Bengal and Assam and the Central Provinces) the term is fixed by the authority which confirms the settlement, that is the Government of India.

APPENDIX III.

Settlement Appointments.

In Provinces where settlements of the land revenue are of regular occurrence and are not carried out by a specially constituted department (as was formerly the case in Madras and Bombay), the work is usually provided for by the addition of a certain number of appointments in the cadre of the executive services. As settlements are undertaken, officers are appointed to carry them out, or the settlement programme is so arranged as to give continuous employment to a fixed number, but this arrangement is not always possible or convenient. In both cases the officers generally receive some additions to their ordinary salary, the amount of which is fixed either under the Civil Service Regulations or by special rules—usually the latter.

Civil Service Regulations, Articles 77 to 81.

2. Under the special circumstances attaching to them, settlement appointments have been regarded as somewhat outside the ordinary rules relating to temporary appointments and deputations If these rules, which (except in the case of officers drawing less than Rs. 250 a month) limit the power of Local Governments in making appointments to six months, and of the Government of India to twelve, *were applied, the great majority of settlement appointments would require the sanction of the Secretary of State, a procedure which would involve numerous references and delay. The Government of India therefore "assumed that the Secretary of State in sanctioning the several scales of remuneration for settlement appointments intended to sanction the creation of such number of appointments on those scales as might from time to time be found by the Government of India to be required†," and this was the practice prior to 1895. In the Central Provinces, a settlement programme having been drawn up which fixed the number of officers to be employed during a series of years, it was left to the Local Administration to appoint them from time to time.

†Government of India Financial despatch No. 234, dated 3rd September 1895.

Progs. September 1895, Nos. 56-8.

3. In 1895 the correctness of the procedure was called in question, and it was decided to place the transfer of officers to settlement duty on a uniform and regular footing. In framing their proposals the principles adopted by the Government of India were, (a) that except in Madras and

*The powers of the Government of India has been recently increased to 2 years.

Bombay, their sanction should be required to the inception of any settlement operations of importance, the cost of which will fall upon the public revenue, and (*b*) that the authority which sanctioned the inception of settlement operations should also have discretion to sanction the appointment of the officers required to carry them out. The possibility of obtaining sanction to a maximum number of settlement appointments in each Province to be filled as occasion required was considered and rejected, as no accurate forecast could be made, and the following rules embodying the above principles were proposed to and approved by the Secretary of State :— Progs. January 1896, Nos. 14-19.

"(1) All special appointments for settlement work of which the term will not exceed six months, or of which the whole cost will be borne by the private parties concerned, to be made by the Local Government without reference to the Government of India".

"(2) The sanction of the Government of India is required to the inception of any settlement operations outside Madras and Bombay which do not fall under the above rule.',

"(3) The Government of India, and the Governments of Madras and Bombay, have power to sanction special appointments for settlement work, subject to no limitations beyond those imposed by the Secretary of State's orders upon the allowances to be enjoyed by their holders."

4. It was further arranged that appointments sanctioned or extended under these rules should be reported for the information of the Secretary of State in half-yearly statements, as is done in the case of temporary engineers employed in the Public Works Department. Accordingly, since then all Local Governments have sent in to the Revenue and Agriculture Department half-yearly lists of settlement appointments on more than Rs. 250 a month sanctioned or extended during the period, which are consolidated and transmitted to the Secretary of State.

5. At the same time revised rules were prescribed, with the sanction of the Secretary of State, to regulate the emoluments of officers of the Indian Civil Service or of like position, who are deputed to settlement work in the major Provinces other than Madras and Bombay. Under these rules the emoluments of a full time settle-

ment officer are the salary he would be drawing if on ordinary administrative duty, *plus* an addition to salary of Rs. 150 a month in the case of a principal settlement officer, and Rs. 100 a month in the case of an assistant, but subject to a total maximum remuneration of Rs. 2,000 a month. The Government of India may however permit this limit to be exceeded in special circumstances for a term not longer than one year.

A Collector placed in charge of the settlement of his district in addition to his ordinary duties is entitled to the settlement allowance of Rs. 150 a month, but it is not clear whether such a case would be treated as a "settlement appointment."

A special scale of allowances has also been laid down for officers of the provincial and subordinate services employed us assistant settlement officers, the usual rate being Rs. 100 for the former and Rs. 50 for the latter.

6. Interpreted literally, the rules quoted in paragraph 3 while giving the Supreme Government and the Governments of Madras and Bombay larger powers than the Civil Service Regulations (Articles 78 and 79), curtailed the powers of other Local Governments by limiting to six months, in the case of settlement appointments, the power which they enjoy under the Regulations of sanctioning, without limit of time, the temporary appointment and deputation of officers whose salary and deputation allowance combined do not exceed Rs. 250. In 1904 it was however held that this limitation was unintentional. To meet the special case of Bengal, where numerous petty settlements are annually undertaken, that Local Government was empowered to sanction the inception of settlement operations which are not likely to last for more than 12 months and "to create for any term," settlement appointments "carrying a pay *plus* settlement allowance not exceeding Rs. 250." In the following year all Local Governments were informed that they might exercise, in respect of settlement appointments, the full powers conferred by Article 78 of the Civil Service Regulations.

Progs. September 1904, Nos. 42-45.

Progs. May 1905, Nos. 6-7.

7. The rules thus impose three limitations on the powers of Local Governments (other than Madras and Bombay) *viz.*, (1) as to the duration of settlement operations which they can sanction, (2) as to the duration and (3) the emoluments of settlement appointments which they can create. It is not quite clear to what extent, if at all, (1) operates to modify (2) and

(3) but (1) should apparently be regarded as distinct from the financial restrictions on settlement appointments. The rules as they now stand may on this assumption be summarized as follows:—

As to pay.

(1) The remuneration of settlement appointments is fixed by definite rules which allow, within fixed limits, a special addition to the ordinary salary of the officers holding them. No reference to the Government of India or Secretary of State is required save when the emoluments of an officer exceed Rs. 2,000 a month.

As to time.

(2) The Supreme Government and the Governments of Madras and Bombay can sanction all settlement appointments without restriction, subject only to a half-yearly report to the Secretary of State.

(3) Other Provincial Governments can do the like only in respect of officers whose emoluments do not exceed Rs. 250 a month (Article 78(*a*) Civil Service Regulations), or who are employed on settlements of which the whole cost is chargeable to private parties. In respect to other officers their power of appointment is limited to six months (Article 78 (*b*)).

(4) Whenever in cases falling under (3) the emoluments of a settlement officer appointed on Rs. 250 or less rises above that amount, or the tenure of appointment of a settlement officer drawing more than Rs. 250 extends beyond six months, a reference to the Government of India is necessary. The sanction of the Government of India is also required to every extension of a settlement appointment beyond the term for which it was sanctioned by them.

As to inception of settlements.

(5) Outside Madras and Bombay, no settlement operations which are likely to last longer than 12 months if in Bengal, or 6 months if elsewhere, or of which the whole cost is not to be borne by private parties, may be commenced without previous report to, and sanction of the Government of India.

G. C. B. P., Simla.—No. 1856 H. D.—20-11-07—92—C.G.S.

Suggestions.

I. (1) It should be the province of the Government of India to lay down general principles of assessment and prescribe the length of the settlements. When this has been done the details of settlements in accordance with the principles prescribed should rest with the Local Governments. But the Government of India must, of course, as in all other matters, retain the right of intervention in special cases where such intervention appears to be called for. This appears to have been accepted by the Government of India as the correct position in their despatch of the 12th March 1875 to the Secretary of State, but in practice their intervention has gone far beyond the control of general principles.

Progs., March 1875, Nos. 52-64.

(2) In the Central Provinces, for example, the rent rate report for each tahsil is submitted for sanction, and if the settlement officers total assessments differ by 10 per cent. from the standard, the matter has to be reported to the Government of India. Proposals have, it is true, been made for simplifying this procedure, but they also retain a larger measure of control than is thought necessary for the United Provinces.

(3) In the case of Burma also, the Government of India have practically to scrutinize and confirm all the details of each settlement.

(4) The Honourable Mr. Miller has recognized that this is not the business of the Government of India in his note on the Devolution file where he remarked:—"I think that the system by which at present we make ourselves responsible for assessments in Burma is entirely wrong. If we interfere at all, it should be on general questions. At present, by our approving of the orders which the Local Government proposes to pass before it is allowed to issue them, we make ourselves responsible for all details of the proceedings. It is much the same in the Central Provinces, where great administrative inconvenience is experienced owing to the reports required by the Government of India, and the latter Government is tempted to interfere in details that are entirely a matter for the local administration. The Secretary of State has recently given us a very strong hint against too much interference with Local Governments in revenue matters."

Despatch No. 16, dated 27th January 1905. Proceedings, May 1905, Nos. 8-21.

(5) All the major Provinces, or, at any rate, those in which a satisfactory settlement system has been crystallised and is well applied, might, it is thought, be given as

full powers in regard to details of settlement as are possessed by the Governments of Madras and Bombay. And if the Revenue and Agriculture Department consider that inception reports should be continued as regards Provinces in which this practice already prevails, *i.e.*, that the Government of India should be informed as soon as practicable of the contemplated re-settlement of a district or other part thereof, and roughly of the revenue results expected, this information should be primarily for financial purposes. It would also enable the Government of India to ask for explanation (if desired) of any large increase or decrease on the former settlement demand which has been reported as probable; but it should not be used for the purpose of binding down the Local Government to work up to preconceived results. Similarly when for any reason it is proposed to put off for any considerable time the re-settlement of a tract in respect to which the existing settlement period has expired, the Government of India as financially interested (it gets as a rule half the land revenue) ought to be informed. But apart from this, the practice of requiring the Government of India's formal sanction to a settlement is to be deprecated.

(6) Of course any deviation from the prescribed settlement periods, or the general principles of assessment, should require the special sanction of the Government of India. And as above remarked the Government of India can always, if it thinks necessary, call for information with a view to possible intervention on any settlement proceedings of the Local Government which come to its notice in the printed monthly proceedings. The submission by Local Governments of such monthly proceedings is indeed largely in order to provide for such possible action in respect of any matter in which the Government of India is interested.

II. (1) It is also a matter for consideration, though it only bears upon decentralization as enabling a freer hand to be given to Local Governments without apprehension of undesirable enhancement of land revenue on their part, whether the application of settlement enhancements might not be mitigated by laying down that, except in very special circumstances—say, the extension of cultivation over considerable tracts which had been waste in previous settlements, no landowner should, at a fresh settlement, have his assessment increased by more than, say, one-third*.

* In the case of settlements on the raiyatwari system, this would apply only to the revenue demand paid by occupants at the time of re-settlement, and not to the assessment rates on new lands subsequently taken up by them.

(2) It is admitted that there is much to be urged against as well as for the adoption of a standard limit to the increased revenue which may be demanded from individual revenue payers. It may be said that if for some reason or other an area has been greatly under-assessed in the past, this principle might still give it some advantage in respect to other tracts, thus perpetuating inequalities of assessment. But, on the other hand it has to be remembered that the landowner adjusts his expenses to his assets, and that a large enhancement of land revenue, however just in the abstract, hits him severely. If the choice lies between the avoidance of inequalities in assessments (which must to some extent occur under any system) and the avoidance of the check to industry and the discontent resulting from the excessive reduction of individual incomes, the balance of advantage seems to be clearly in favour of the latter.

(3) It is true that the existing settlement rules temper a large increase of assessment by spreading it over a period of years, but the calculations are probably not understood or appreciated by the persons affected and the increasing enhancements under this rule probably tend rather to exacerbate the landowner's feelings than to relieve them. He would probably prefer to have the total amount of possible enhancement limited as proposed, and be done with it.

(4) There appears to be no ground for apprehension that the limitation suggested would, in the long run, cause any serious decrease in the growth of the land revenue. In the Financial Statement of 1888-89 it was shown that during the first thirty years of Government by the Crown (1857-1887) the revenue had increased by 29 per cent., and that during the twenty years following 1870-71 it had been only 14 per cent. The limit of one third (33 per cent) every thirty years would therefore leave a considerable margin for maintaining the rate of increase secured in the past.

Supplement, *Gazette of India*, 31st March 1888.

III. (1) As regards the settlement appointments rules it is doubtful whether it is necessary or expedient that they should be made the medium for interference with the action of Local Governments in settlement matters, since this can if desired be secured in other ways. But leaving aside the question of control of settlements, the rules as they stand make a reference to the Supreme Government necessary in cases in which it neither desire to or does interfere with the

settlement with which the appointment is connected. This is particularly true of Bengal where numerous petty settlements are undertaken annually.* If the pay *plus* allowances of a Deputy Collector deputed by the Bengal Government to settle a government estate or alluvial accretion should, happen to be Rs. 300 instead of 250, the sanction of the Government of India would, under present rules, be required to the appointment and inception of settlement operations, though the operations themselves would be controlled, and might be confirmed by the Board of Revenue, who have power to confirm settlements up to Rs. 25,000.

(2) Again if the Government of India sanctioned the appointment of a settlement officer for two years and the operations took two years and three months, another sanction would be required to cover the excess period though, as is well-known, it is impossible to forecast with any great accuracy the time which a particular settlement will occupy. It must therefore often happen that appointments are either sanctioned for a longer period than is necessary, or applications are made and formally sanctioned for extensions which are inevitable.

(3) The rules clearly appear to be more restrictive than is necessary either for the administrative or financial control of settlement operations. They are hardly required at all for administrative control, while financially the total cost of a settlement is of more importance than the small fraction represented by the pay of the officer who conducts it. With the large interest which Local Governments now have in the land revenue, the economical conduct of settlement operations is as of much importance to them as to the Government of India, and the powers which the latter have obtained from the Secretary of State of sanctioning settlement appointments outside the ordinary rules, might now be delegated to all Local Governments to whom financial settlements have been extended, instead of only to Madras and Bombay. They would still be bound by the Rs. 2,000 limit of pay referred to in paragraph 5.

(4) The Secretary of State's sanction would be needed to this delegation and it might be suggested to him that the half-yearly return should be discontinued.† There appears to be no real analogy between the cases of settlement officers and temporary engineers, since the former are not holders of additional posts but of posts already, for the most part, provided for in

* Two such cases have recently been brought to the notice of the Committee (Land Revenue Files 378 and 385).

†This point has been referred to the Committee in Revenue File 63.

sanctioned cadres who, while on settlement duty, draw additional allowances under special rules.

IV. (1) A consideration of the orders summarized in Appendix II suggests that some delegation of Provincial control over settlement operations might be carried out with advantage. Under the Local Government, the control of regular settlement operations is exercised by the Board of Revenue or Financial Commissioner, and in some Provinces intermediately by a Settlement Commissioner. The divisional Commissioner's functions are generally confined to criticizing the settlement officer's proposals and acting as an appellate court in certain settlement matters. Having regard to their great importance to the welfare of the districts and the people within his charge, the divisional Commissioner should, it is thought, be more closely associated with revenue settlements. Something in this direction has been done in the Central Provinces and Burma, but his position generally is more that of an outside critic than an authority responsible for guiding and advising the officer entrusted with carrying out the settlement.

Progs., October 1901, Nos. 84-85.
„ April 1902, Nos. 29-31.

(2) Subject to such rules, and within such limits, (they should be wide) as to the assessment involved, as the Local Government may prescribe, Commissioners might also be empowered to sanction the special settlements which have to be made during the currency of a general settlement, of small tracts, individual villages or holdings, and alluvial estates, as well as the settlement of rents in Government properties.

A. R. TUCKER.

G. C. B. P., Simla.—No. 1856 H. D.—11-12-07.—52.—J.D.


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